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**STATE OF ALABAMA**  
ALABAMA PUBLIC SERVICE COMMISSION  
P.O. BOX 304260  
MONTGOMERY, ALABAMA 36130-4260

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September 25, 2003

JIM SULLIVAN, PRESIDENT  
JAN COOK, ASSOCIATE COMMISSIONER  
GEORGE C. WALLACE, JR., ASSOCIATE COMMISSIONER

WALTER L. THOMAS, JR.  
SECRETARY

Ms. Marlene H. Dortch  
Office of the Secretary  
Federal Communications Commission  
445 12th Street, SW, Room TW-A306  
Washington, D.C. 20554

Re: CC Docket No. 96-45 - U.S.F. Certification of Alabama's Rural and  
Non-Rural Carriers

Dear Ms. Dortch:

Pursuant to the requirements of 47 C.F.R. §54.313, the Alabama Public Service Commission (the "APSC") hereby certifies to the Federal Communications Commission (the "Commission") that all federal high-cost universal service funds flowing to Alabama Non-Rural local exchange carriers BellSouth Telecommunications, Inc. (BellSouth) and CenturyTel of Alabama, L.L.C. ("CenturyTel") for the year commencing January 1, 2004, and ending December 31, 2004, will be utilized in a manner consistent with §254(e) of the Telecommunications Act of 1996. As required by §254(e), BellSouth and CenturyTel will only utilize the federal high-cost support for which they are eligible in the year 2004 for the provision, maintenance and upgrading of facilities and services for which that support is intended.

The APSC also certifies that pursuant to the requirements of 47 C.F.R. §54.314, all of the federal universal service funding flowing to Alabama's Rural Carriers<sup>1</sup> for the year commencing January 1, 2004, and ending December 31, 2004, will be utilized in a manner consistent with §254(e) of the Telecommunications Act of 1996. As required by §254(e), Alabama's Rural Carriers will only utilize the federal support for which they are eligible in the year 2004 for the provision, maintenance and upgrading of facilities and services for which that support is intended.

<sup>1</sup> Alabama's Rural Carriers herein certified are: ALLTEL Alabama, Inc. (250302); Ardmore Telephone Company, Inc. (254000); Blountsville Telephone Company, Inc. (250282); Brindlee Mountain Telephone Company (250283); Butler Telephone Company, Inc. (250284); Castleberry Telephone Company, Inc. (250285); Farmers Telephone Cooperative, Inc. (250290); Frontier Communications of Alabama, Inc. (250306); Frontier Communications of Lamar County, Inc. (250301); Frontier Communications of the South, Inc. (250318); Graceba Telephone Company, Inc. (250295); GTC, Inc., d/b/a GT Com (250294); Gulf Telephone Company, Inc. (250298); Hayneville Telephone Company, Inc. (250299); Hopper Telecommunications, Inc. (250300); Interstate Telephone Company, Inc. (250371); Millry Telephone Company, Inc. (250304); Mon-Cre Telephone Cooperative, Inc. (250305); Moundville Telephone Company, Inc. (250307); National Telephone Company, Inc. (250286); New Hope Telephone Cooperative, Inc. (250308); Oakman Telephone Company (250311); Otelco Telephone, LLC (250312); Peoples Telephone Company (250314); Pine Belt Telephone Company, Inc. (250315); Ragland Telephone Company, Inc. (250316); Roanoke Telephone Company, Inc. (250317); Union Springs Telephone Company, Inc. (250322); and Valley Telephone Company, Inc. (250324).

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Ms. Marlene H. Dortch  
Federal Communications Commission  
September 25, 2003  
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The representations and certifications herein provided are largely the product of informal proceedings conducted before the APSC in Docket 25980. A copy of the APSC's Order approving and certifying the proposals of BellSouth, CenturyTel, and Alabama's Rural Carriers regarding their intended utilization of the federal high-cost universal service support for which they are eligible in the year 2004 is enclosed herein.

The APSC thanks the Commission for its diligence and cooperation in this matter. Please be advised that a copy of this notice is simultaneously being forwarded to the Universal Service Administrative Company. Please date stamp the extra copy of this filing and return it to the APSC in the enclosed, stamped, self-addressed envelope.

Sincerely,

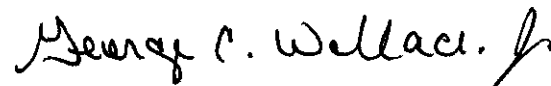
ALABAMA PUBLIC SERVICE COMMISSION



Jim Sullivan, President



Jan Cook, Commissioner

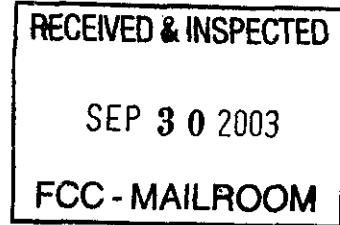


George C. Wallace, Jr., Commissioner

JS/JC/GCWjr:klr  
Enclosure  
By FedEx Priority Overnight  
c: Irene Flannery  
Universal Service Administrative Company  
2120 L Street, NW, Suite 600  
Washington, D.C. 20037



**STATE OF ALABAMA**  
ALABAMA PUBLIC SERVICE COMMISSION  
P.O. BOX 304260  
MONTGOMERY, ALABAMA 36130-4260



JIM SULLIVAN, PRESIDENT  
JAN COOK, ASSOCIATE COMMISSIONER  
GEORGE C. WALLACE, JR., ASSOCIATE COMMISSIONER

WALTER L. THOMAS, JR.  
SECRETARY

**IN RE: IMPLEMENTATION OF THE  
UNIVERSAL SERVICE REQUIREMENTS  
OF SECTION 254 OF THE  
TELECOMMUNICATIONS ACT OF 1996.**

**DOCKET 25980**

**(CERTIFICATION OF CARRIERS  
RECEIVING FEDERAL UNIVERSAL  
SERVICE SUPPORT FOR 2004)**

**FURTHER REPORT AND ORDER**

**BY THE COMMISSION:**

**I. Introduction and Background**

By Order entered in this cause on September 25, 2002, all local exchange carriers in Alabama were ordered to file no later than May 2, 2003, their proposals for the utilization of all federal high-cost universal support for which they will be eligible in the year 2004. Said Order afforded interested parties the latitude to submit comments in response to those filings no later than May 23, 2003, with any reply comments due on or before June 3, 2003.

By filing of May 2, 2003, BellSouth Telecommunications, Inc. ("BellSouth") submitted its proposal for the utilization of the federal high-cost universal service support for which it will be eligible in the year 2004. On July 17, 2003, CenturyTel of Alabama, LLC ("CenturyTel") submitted its proposal for the expenditure of the 2004 federal high-cost universal service support it anticipates receiving. On various dates in June and July, 2003, the Rural Carriers (the "Rural LECs") identified individually in Appendix "A" hereto submitted certifications regarding their proposed expenditure of the federal high-cost universal service support they anticipate receiving in 2004.

## **II. The 2004 Plan of BellSouth**

BellSouth premised its May 2, 2003, proposal to the Commission on the assumption that it would receive federal high-cost universal service support approximating \$26 million for the year 2004. BellSouth indicated that its proposal for 2004 reflected an expenditure of \$23.2 million for network improvements with the remaining \$2.8 million being applied to fund the annual value of the access charge reduction ordered in the Commission's March 24, 2000, Order in this cause. The Commission did not receive any comments in opposition to BellSouth's filing.

BellSouth's proposal for the year 2004 is attached hereto as Appendix "B". A summary of the major elements of BellSouth's filing are set forth below:

- Deploy Loop Fiber and Next Generation Digital Loop Carrier to Implement CSA Design: 2004 - \$15.5 Million
- Replace Manufacturer's Discontinued Technology in the Loop: 2004 - \$2.2 Million
- Purchase of Emergency Restoration Equipment: 2004 - \$100,000.00
- Upgrade Air Pressure Systems: 2004 - \$200,000.00
- Switching Infrastructure Improvements Including Emergency Engine Replacements and DC Power Plant Upgrades in Rural Central Offices: 2004 - \$600,000.00
- Complete Self-Healing Facility Diversity and Replace Copper IOF Cables: 2004 - \$1.6 Million

Provide Diverse Facilities and Self-Healing Interoffice Diversity: 2004 - \$800,000.00

Replace Copper IOF Facilities to Independent Telephone Companies: 2004 - \$800,000.00

DOCKET 25980 - #3

- Improve Testability, Timing, and Surveillance and Replace Technology Limiting Service Delivery: 2004 - \$3 Million

Upgrade Mechanized Loop Testing Capabilities: 2004 - \$300,000.00

Replace Manufacturer Discontinued Fiber Connectors: 2004 - \$500,000.00

Deploy Central Office Maintenance and Documentation Interface Equipment: 2004 - \$300,000.00

Deploy Test Equipment, Performance Monitoring and Test Access: 2004 - \$600,000.00

Replace Manufacturer's Discontinued DSO Test Access Equipment: 2004 - \$500,000.00

Replace Stratum 1 Primary Reference Source to Increase Network Reliability: 2004 - \$400,000.00

Replace E2A Alarm devices with ALT128 TCIP/IP Devices: 2004 - \$400,000.00

The Commission staff reviewed the 2004 expenditure plan submitted by BellSouth and found that with one notable exception, the federal high-cost universal service expenditures proposed therein by BellSouth should be certified as compliant with §254(e) of the Telecommunications Act of 1996.<sup>1</sup> The modification recommended by the staff related to BellSouth's proposal to expend \$15.5 Million on the deployment of loop fiber and next generation digital loop carrier for the implementation of CSA Design.

The amendment recommended by the staff would first require BellSouth to utilize up to \$1 Million of the \$15.5 Million BellSouth proposes to expend during 2004 to deploy loop fiber and next generation digital loop carrier to implement CSA design on the provision of basic local

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<sup>1</sup> Pub. L. No. 104-104, 110 Stat. 56 codified at 47 U.S.C. §151 *et seq.* (hereinafter the "Act"). Cites to sections of the Act are accordingly cites to 47 U.S.C.

exchange telecommunications service to end users who have made application for service but have been unable to obtain service due to economic inefficiency and/or prohibitive aid to construction amounts ("unserved customers").<sup>2</sup> The staff recommended that said \$1 Million of federal high-cost universal service funding be made available to provide basic local exchange service to the unserved customers discussed above at primary dwellings only, up to an initial maximum of \$25,000 per applicant. The staff noted that construction projects with a cost of \$25,000 or less per applicant should be funded first. The staff further recommended that any funds from the Commission approved allocation remaining after application of the preceding guidelines be prioritized for the provision of basic service as follows:

- (a) The authorized rate per applicant will be increased from \$25,000 in \$5,000 increments.
- (b) With each \$5,000 increment, those projects that qualify under the revised guidelines will be prioritized for funding.
- (c) The process shall be repeated by increasing the rate per applicant by \$5,000 increments up to a maximum rate per applicant of \$40,000 until the entire \$1,000,000.00 is expended or all such projects that fit the criteria are completed (whichever comes first).
- (d) In the event that all eligible applications are in progress by October 1, 2004, any of the \$1,000,000.00 set aside for such eligible projects that is not needed to complete the eligible applications in progress shall first be expended by BellSouth on infrastructure improvements designed to improve BellSouth's quality of service performance (as discussed in more detail below). Should any of the \$1,000,000.00 in question remain after the aforementioned infrastructure improvements, BellSouth shall, pursuant to the determination of the Commission, expend any remaining amounts of the \$1,000,000.00 set aside for unserved customers on customer credits or the deployment of loop fiber and next generation digital loop carrier to implement CSA Design (as discussed in more detail below). BellSouth should accordingly endeavor to complete all pending, eligible applications on or before October 1, 2004.

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<sup>2</sup> We note that the applicants in question need not be served by wire centers designated as "high cost" in order to be eligible for the support in question.

For any projects involving the provision of basic local exchange telecommunications service to unserved customers wherein the costs of providing such service exceed the allocated resources described in the preceding paragraph, the staff recommended that the additional capital required to complete the project in question be the responsibility of the applicant for service. Applicants for service shall be afforded the opportunity to make a contribution in aid to construction, and the amounts due from such applicants must be received by BellSouth prior to the company's commencement of the construction project in question. The staff further recommended that no federal high-cost universal service funds be expended for the payment of nonrecurring tariffed charges for the initiation of service to the affected customers or tariffed recurring charges for the continued provision of such service.

The staff further recommended that BellSouth be required to provide a list of its held service applications along with the reports BellSouth is already required to file within thirty (30) days of the close of each calendar quarter. Said reports shall detail the status of each held service application.

With respect to the remaining \$14.5 Million which BellSouth proposed to expend on CSA Design, the staff recommended that BellSouth instead utilize that \$14.5 Million to fund infrastructure improvements aimed at upgrading BellSouth's quality of service in BellSouth wire centers with excessive trouble report rates. In order to clearly identify such wire centers and evaluate the potential infrastructure improvements necessary to rectify the excessive trouble report rates in such wire centers, the staff recommended that BellSouth be required to meet with the Commission staff within twenty (20) days of the effective date of this Order. Staff further recommended that BellSouth be required to provide any information requested by the staff in the staff's attempt to identify the sources of excessive trouble report rates in the

targeted wire centers. The Commission will provide more specific direction concerning the infrastructure improvements in question following the investigation discussed above.

To the extent that any of the \$14.5 Million in question remains after the staff has met with BellSouth and specifically determined the amount of funding necessary to implement the infrastructure improvements discussed immediately above, the staff recommended that such remaining funds be expended on customer credits or CSA Design, as determined by the Commission.

### **III. The CenturyTel Proposal for 2004**

In its July 17, 2003 filing, CenturyTel indicated that it anticipated the receipt of \$7,422,415 in federal universal service high-cost funds above and beyond the \$7,749,629 embedded in CenturyTel's existing rate structure in Alabama. No party filed comments in opposition to CenturyTel's proposal for 2004 which is attached hereto as Appendix "C". A summary of the major elements of CenturyTel's filing are set forth below:

- Replace Obsolete Remotes: 2004 - \$2,358,904
- Replace Buried Air Core Cable: 2004 - \$500,000
- Fiber to Remotes: 2004 - \$95,000
- Service Improvements (Replace/Upgrade switch in Trussville Exchange as well as enhancing network reliability by providing stand by emergency generators for 21 central office locations throughout Alabama): 2004 - \$4,218,541
- High-Cost Applicants: 2004 - \$250,000

The Commission staff determined from its review of CenturyTel's July 17, 2003, filing that CenturyTel's proposals for the expenditure of federal high-cost universal service support for 2004 should be approved. With respect to CenturyTel's proposed expenditure of \$250,000 for high-cost applicants, the staff noted that high-cost applicants should be defined as end



users who have applied for service but have been unable to attain such service due to economic inefficiency and/or prohibitive aid to construction amounts ("unserved customers").<sup>3</sup> The staff recommended that such funding be made available to provide basic local exchange service to unserved customers for primary dwellings only up to an initial maximum of \$25,000 per applicant. The staff further recommended that high-cost applicant construction projects with a cost of \$25,000 or less per applicant should be funded first. The staff noted that any funds from the Commission approved allocation for high-cost applicants remaining after adherence to the preceding guidelines should be prioritized for the provision of basic local service as follows:

- (a) The authorized rate per applicant will be increased from \$25,000 in \$5,000 increments.
- (b) With each \$5,000 increment, those projects that qualify under the revised guidelines will be prioritized for funding.
- (c) The process shall be repeated by increasing the rate per applicant by \$5,000 increments up to a maximum rate per applicant of \$40,000 until the entire \$250,000 is expended or all such projects that fit the criteria are completed (whichever comes first).
- (d) In the event that all eligible applications are in progress by October 1, 2004, any of the \$250,000 set aside for such eligible projects that is not needed to complete the eligible applications in progress shall be expended by CenturyTel on the service improvement projects discussed above. CenturyTel should accordingly endeavor to complete all pending eligible high-cost applications on or before October 1, 2004.

For any projects involving the provision of basic local exchange telecommunications service to unserved customers wherein the costs exceed the allocated resources described in the preceding paragraph, the staff concluded that the additional capital required to complete the

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<sup>3</sup> We note that the applicants in question need not be served by wire centers designated as "high-cost" in order to be eligible for the support in question.

project in question shall be the responsibility of the applicant for service. Such applicants for service shall be afforded the opportunity to make a contribution in aid to construction, and the amounts due from such applicants must be received by CenturyTel prior to the company's commencement of the construction project in question. The staff recommended that no federal high-cost universal service funds be expended for the payment of nonrecurring tariffed charges for the initiation of service to the affected customers or tariffed recurring charges for the continued provision of such service.

The staff further recommended that CenturyTel be required to submit within thirty (30) days of the effective date of this Order a current list of all CenturyTel customers who have made application for basic local service but have been unable to receive it due to economic inefficiency and/or prohibitive aid to construction amounts. The staff further recommended that CenturyTel be required to submit, within thirty (30) days of the close of each calendar quarter, a report delineating the status of each project approved herein and the level of funding expended on such products. The staff suggested that CenturyTel include with those quarterly reports a list of CenturyTel's held service applications. The staff recommended that the status of each such application be reflected in the report submitted by CenturyTel.

#### **IV. The Filings of the Rural Carriers**

With regard to the Rural Carriers listed in Appendix "A" hereto, the Commission previously determined in the Order entered in this cause on December 20, 2001 that the Commission could best meet its universal service monitoring and certification obligations for each Rural LEC "cost company" by requiring such companies to file with the Commission by January 15 of each year a copy of their supporting annual interstate cost separation studies, their annual USF-High-Cost loop support filings and, their estimated USF-local switching

support filings that are made with the National Exchange Carriers Association ("NECA"). With respect to the Rural LECs that are "average schedule" companies, the Commission required such companies to file for review by January 15 of each year a copy of NECA's proposed annual USF-High-Cost loop support and USF-local switching support amounts. The certifications submitted by the Rural LECs listed in Appendix "A" hereto throughout June and July, 2003 reflect that each of those Rural LECs will in 2004 continue to utilize the high-cost universal service funding they receive in a manner compliant with the requirements of §254 of the Telecommunications Act of 1996. The Commission will continue to verify the certifications of the aforementioned Rural LECs through the filings they make with the Commission on or before January 15 of each year.

#### **V. Discussion and Conclusions**

We hereby adopt each of the recommendations of staff set forth herein and approve consistent therewith, the proposals submitted in this cause by BellSouth, CenturyTel and Alabama's Rural Carriers governing their expenditure of federal high-cost universal service support during the year 2004. We will certify to the FCC that those plans are compliant with the provisions of §254(e) of the Act.

We specifically note, however, that our approval herein is contingent upon the staff's continued monitoring of the implementation of the aforementioned plans. The Commission specifically reserves the right to conduct any proceedings that may be necessary to determine if the funding under review should be redirected to other qualifying projects as required by the Commission.

We further note that the \$.0025 terminating switched access charge reduction approved in our Order of March 24, 2000, in this cause is hereby carried forward for 2004. BellSouth is

accordingly authorized to expend \$2.8 million of the federal high-cost universal support it is scheduled to receive in 2004 to support that continued reduction. We further find that in the event that intrastate switched access charges in Alabama are reduced in the context of the Commission's local competition proceedings in Joint Dockets 24499, 24472, 24030 and 23865 or Docket 28590 prior to the end of 2004, BellSouth will be allowed to reallocate to its infrastructure construction budgets approved herein all funds required to implement the \$.0025 terminating switched access charge reduction which is carried forward by this Order. We find such a result to be consistent with the public interest, convenience and necessity.

IT IS, THEREFORE, ORDERED BY THE COMMISSION, That the May 2, 2003, proposal of BellSouth Telecommunications, Inc. attached hereto as Appendix "B" and delineating the company's intended utilization of the federal high-cost universal service support for which it is eligible during the year 2004 is hereby approved as modified herein and certified as compliant with the provisions of §254(e) of the Telecommunications Act of 1996.

IT IS FURTHER ORDERED BY THE COMMISSION, That the July 17, 2003, proposal of CenturyTel of Alabama, LLC attached hereto as Appendix "C" and delineating the company's intended utilization of the forward-looking federal high-cost universal service support for which it is eligible during 2004 is hereby approved and certified as compliant with the provisions of §254(e) of the Telecommunications Act of 1996.

IT IS FURTHER ORDERED BY THE COMMISSION, That the proposals/statements of Alabama's Rural Carriers collectively attached hereto as Appendix "D" are hereby approved and certified as compliant with the provisions of §254(e) of the Telecommunications Act of 1996.

IT IS FURTHER ORDERED BY THE COMMISSION, That the approval and certifications addressed herein shall be contingent upon satisfactory results from the

Commission's ongoing review of the project specific expenditures of BellSouth, CenturyTel and each of Alabama's Rural Carriers. The Commission specifically reserves the right to conduct whatever proceedings may be deemed necessary to determine that the universal service funding received by BellSouth, CenturyTel and Alabama's Rural Carriers should be redirected by the Commission to other qualifying projects. To that end, BellSouth and CenturyTel shall submit to the Commission within thirty (30) days of the close of each calendar quarter, a report delineating the status of each project approved herein and the level of funding expended on said projects. Said reports shall include a listing of each of the local service applications held by each company and their status. The Rural LECs shall continue to comply with the reporting requirements established in the Commission's December 20, 2001 Order entered in this cause.

IT IS FURTHER ORDERED BY THE COMMISSION, That BellSouth, CenturyTel and Alabama's Rural Carriers shall file their proposals for the utilization of the federal high-cost universal service support for which they are eligible in the year 2005 no later than May 7, 2004. Interested parties may submit comments in response to those filings no later than May 28, 2004. Reply comments will be considered by the Commission if received on or before June 18, 2004.

IT IS FURTHER ORDERED BY THE COMMISSION, That jurisdiction in this cause is hereby retained for the issuance of any further order or orders as may appear to be just and reasonable in the premises.

IT IS FURTHER ORDERED, That this Order shall be effective as of the date hereof.

DONE at Montgomery, Alabama, this 26<sup>th</sup> day of September, 2003.

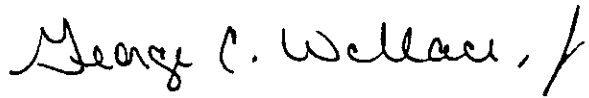
ALABAMA PUBLIC SERVICE COMMISSION



Jim Sullivan, President

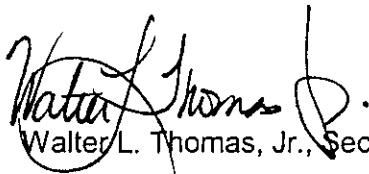


Jan Cook, Commissioner



George C. Wallace, Jr., Commissioner

ATTEST: A True Copy



Walter L. Thomas, Jr., Secretary

**APPENDIX "A"**

ALLTEL Alabama, Inc. (250302)  
Ardmore Telephone Company, Inc. (254000)  
Blountsville Telephone Company, Inc. (250282)  
Brindlee Mountain Telephone Company (250283)  
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Ragland Telephone Company, Inc. (250316)  
Roanoke Telephone Company, Inc. (250317)  
Union Springs Telephone Company, Inc. (250322)  
Valley Telephone Company, Inc. (250324)

## **APPENDIX "B"**

### **Loop Infrastructure Improvements Year 2004 - \$18M**

#### **1 Deploy Loop Fiber and Next Generation Digital Loop Carrier to Implement CSA Design: 2004 - \$15.5M**

The implementation of Carrier Serving Areas (CSA's) will provide improved service to the customer and will provide a means of delivering additional services and capabilities not available over a totally copper network.

The goal of the CSA concept is to sectionalize areas of a wire center beyond twelve thousand feet from the serving central office into discrete geographical units so those customers within the CSA can be provided digital services over an unrepeaters facility by utilizing digital loop carrier.

Service improvements are obtained through the deployment of digital loop carrier in the CSA. Customers working over digital loop carrier facilities do not experience the transmission problems caused by metallic influences that are inherent of long copper facilities. Data transmission speeds are improved for services offered over digital loop carrier as opposed to long copper facilities.

BellSouth proposes deploying fiber in feeder routes to serve existing and new remote terminal sites and the placement of new Digital Loop Carrier in the USF wire centers to implement the CSA architecture.

#### **2 Replace Manufacturer's Discontinued Technology In the Loop: 2004 - \$2.2M**

BellSouth currently has in place Subscriber Line Carrier (SLC) and multiplexer technologies that are older types and cause limited service offerings or parts are not readily available from the vendor. BellSouth proposes to replace Manufacturer's Discontinued systems of DMS-1 Urban Digital Loop Carrier and DDM-1000 multiplexers to further reduce maintenance problems and trouble reports in targeted USF wire centers. The replacement of these older systems should significantly improve modem speeds, improve service levels for customers served by these systems and provide a facility capable of carrying wide-band and broadband data services.



### **3 Emergency Restoration Equipment: 2004 - \$100K**

Alabama's weather contains a mix of ice storms, hurricanes, tornadoes, and severe thunderstorms. BellSouth's plan is to purchase additional small portable generators and trailers for deployment to restore power to Remote Digital Loop Carrier sites in the event of loss of commercial power. This would enhance our ability to quickly restore and maintain service to our rural customers during a natural disaster. These generators and trailers will be staged at four locations across the state to aid in rapid deployment. The exact locations for storing this equipment have not been determined at this time

### **4 Upgrade Air Pressure Systems: 2004 - \$200K**

BellSouth currently has USF wire centers equipped with manufacturer's discontinued compressor and dehydrator units in the underground cable network. As a result it is very difficult or impossible to secure replacement parts when servicing. In order to increase network reliability and prevent prolonged outages to rural customers, BellSouth proposes the replacement of these manufacturer's-discontinued units with newer, vendor-supported technology or the elimination of this equipment via the replacement of isolated sections of air-core cable. The loop infrastructure improvement initiatives will provide service improvements to the smaller rural wire centers in the state by eliminating trouble reports due to slow modem speeds and other transmission impairments.

## **Switching Infrastructure Improvements: 2004 - \$600K**

During 2003 BellSouth will complete the non-compliant switch replacement program begun in 2000 with USF program funds. Therefore, in our 2004 plan BellSouth proposes beginning new projects that focus on upgrades and improving the existing switch infrastructure in the rural wire centers. These switch infrastructure improvements will enhance our ability to improve service levels in the rural wire centers.

### **1 Emergency Engine Replacements and Upgrade DC Power Plants in Rural Central Offices**

To further improve service reliability in the rural central offices, the BellSouth plan proposes upgrades and/or replacement of the emergency generators and control equipment over the next three years. Weather in Alabama can be unpredictable and the likelihood is that some form of severe weather will occur during almost anytime of the year. Rural Alabama is usually hit the hardest and takes the longest to get commercial power restored. During these types of power outages the central office switch relies on the AC power provided by the standby emergency generator. Technology and capacity in several of the rural central offices have surpassed the existing generators. Replacing these generators and/or modernizing them will provide a higher degree of reliability during these extended outages, therefore maintaining service to rural communities in critical times. By upgrading the technology and capacity of the generators and controllers presently in use, restoration of telephone and data services during a commercial AC interruption will be greatly enhanced.

The DC Power Plants are the heartbeat of the rural central offices. Some of these power plants are very old and require a considerable amount of upkeep and maintenance. The power plant is the one common thread that keeps all the central office and circuit equipment working. With the aging power plants some of these offices could be in a precarious position because the power plant could deteriorate to a point that the switch fails. Replacing these power plants at this time will allow for a much sounder communications infrastructure in the rural communities for the future and provide improved service reliability.

## **Complete Self Healing Interoffice Facility Diversity and Replace Copper IOF Cables Year 2004 - \$1.6M**

### **1 Provide Diverse Facilities and Self-Healing Interoffice Diversity: 2004 - \$800K**

BellSouth proposes to complete the deployment of a second, diverse fiber route or build a SONET self-healing ring to some of the Century Tel exchanges connected to our network via a single path. Customers in these wire centers could be isolated from the rest of the world when this single cable is cut. This cable carries not only voice, but also data about the customer addresses and emergency information used during an E911 call. This initiative will improve reliability in each wire center due to the placement of Synchronous Optical Network (SONET) self-healing ring electronics in addition to the second fiber path. The wire centers included in this proposal are:

Ashland	Grand Bay
Bayou LaBatre	Heflin
Chulafinnee	Irvington
Delta	Lineville
Fowl River	

At the same time, we will continue to provide diversity to some of BellSouth's USF offices by eliminating common cable structures and paths. Common equipment components for certain SS7 and E-911 circuits will be eliminated within the rural USF central offices to enhance service reliability.

### **2 Replace Copper IOF Facilities to Independent Telephone Companies With Fiber: 2004 - \$800K**

The preferred method of interface between BellSouth and Independent Telephone Companies (ICOs) in Alabama is over a fiber cable. Several ICO areas in AL are still connected to the BellSouth network via a copper cable. These ICOs serve small rural locations and in the past, BellSouth has not been able to justify the expenditures to interconnect with these areas using fiber. BellSouth's plan calls for providing fiber and SONET electronics for facilities to replace the existing copper cables that interconnect with these ICO locations. This plan will serve to accommodate future growth in the affected BellSouth/ICO facilities and provide a higher level of service to customers served by the involved ICOs. Offices targeted for 2004 are:

Grayson - TDS  
Nauvoo - TDS  
Orrville - Century

## **Improve Testability, Timing, and Surveillance and Replace Technology that Limits Service Delivery: 2004 - \$3.0M**

BellSouth has put in place remote testing and surveillance systems to evaluate trouble reports or to verify available facilities for a new service before dispatching a technician. Several of the existing systems have been in place for ten or more years and the technology has high maintenance costs and is less accurate than systems available today. BellSouth has been replacing the older testing technology in some of the urban wire centers. BellSouth proposes to replace/upgrade testing and surveillance systems and add Performance Monitoring/Test Access systems in the USF wire centers in order to improve the Company's ability to monitor the network, to identify troubles earlier, and to analyze the trouble more completely. The result will be better service to the customers in the USF wire centers. A detail of the systems upgrades, replacements and additions are provided below.

### **1 Improve MLT Testability: 2004 - \$300K**

Mechanized Loop Testing (MLT) system upgrades will enhance the ability of BellSouth to monitor, detect, and resolve customer service troubles. By employing these upgrades, the customer will experience better service due to improved reliability of trouble isolation and minimized false-dispatches. The end result is a reduction in the time required to clear a trouble; thus, the customer's service is restored more quickly. The MLT upgrades also provide expanded remote testing functionality, such as the ability to test ISDN lines, and the ability to detect potential problem areas using Automatic Line Insulation Test (ALIT), which helps to analyze and resolve problems even before they cause a customer service outage.

### **2 Replace Manufactured Discontinued Fiber Connectors: 2004 – 500K**

To further improve service to the rural high cost areas, BellSouth's plan calls for replacing all manufactured discontinued connector equipment on fiber optic cables in the USF supported wire centers. This type of connector is found throughout the state and the replacement of these connectors will permit quicker service provisioning and allow for faster service restoration in case of a fiber failure.

### **3 Deploy Central Office Maintenance and Documentation Interface Equipment: 2004 - \$300K**

BellSouth has central offices in Alabama that are unmanned, and therefore, require that a technician be dispatched to perform on-site central office maintenance and provisioning functions. Through the deployment of central office maintenance and documentation (COMD) interface workstations, remote access to switch and circuit network elements is made available. By interconnecting the COMD workstations in each office of a host-remote cluster, a technician located in one office of the cluster then has the ability to remotely perform diagnostics, surveillance and provisioning in any office within that cluster. This remote access capability provides the potential to reduce response time, increase technician productivity, and reduce the duration of customer service outages.

### **4 Deploy Test Equipment, Performance Monitoring and Test Access (PM/TA): 2004 - \$600K**

BellSouth proposes to replace/upgrade testing equipment and surveillance systems and add Performance Monitoring/Test Access systems in the USF wire centers in order to improve the Company's ability to monitor the network, to identify troubles earlier, and to analyze the trouble more completely. The result will be better service to the customers in the USF wire centers. Performance monitoring can be considered pro-active maintenance. By monitoring the customer's circuit, degradations of circuit quality can be detected and corrected prior to total failure of the circuit. In the case of circuit failure, BellSouth can begin trouble isolation using the remote test access devices and possibly dispatch a repair technician as early as possible (at times even prior to receiving a customer complaint). In order to provide improved performance monitoring and testing in the smaller USF wire centers, the BellSouth plan calls for deployment of DS1 PM/TA equipment.

### **5 Replace Manufacturer's Discontinued DS0 Test Access Equipment: 2004 - \$500K**

There are multiple USF offices in Alabama equipped with Anritsu 9960 DS-0 test heads. The 9960 performed the same function as the SMAS RTS/RTP bays replaced on previous USF jobs. The 9960 was chosen for smaller offices because it costs less than the RTS/RTP bay. Anritsu began manufacturing the 9961 Metallic Access Test System (MATS plus) in about 1992, and the manufacturer's discontinued the 9960 shortly afterward. Replacement of the 9960 with either the 9961 or 9962 test head would improve test access speed (9600 baud vs. 1200 baud), improve spare plug in availability, and position USF offices for testing new services (Anritsu halted R & D for the 9960 when it was made MD).

## **6 Place Stratum 1 PRS (Primary Reference Source) to Increase Network Reliability: 2004 - \$400K**

The synchronization network is used to provide a Stratum 1 traceable timing signal to each office in the state. Presently, we have Primary Reference Source (PRS) equipment, a Stratum 1 clock source, in many offices in metropolitan offices. There are some placed in the rural offices. A PRS is either a Cesium reference or a reference from the Global Positioning System (GPS). The timing signal is passed from the PRS offices to other offices in a timing chain. Each office in the chain receives a timing signal and passes it on to the next office. The placing of Stratum 1 PRS will provide a stable clocking source for all equipment in the office. Placing a PRS in an office will eliminate or reduce the distribution chain of the clocking from one office to another. Since each office will have its own reference, problems with intervening clocks will not cascade from office to office.

## **7 Replace E2A Alarm Devices with ACT128 TCIP/IP Devices: 2004 - \$400K**

Existing remote telemetry for serial and discrete alarms are provided using E2A alarm devices connected to the Network Management Administration (NMA) computer via 1200-baud multipoint circuits. Trouble isolation on multipoint circuits is costly since the problem leg must first be identified before a dispatch can be made for repair of the problem. The multipoint circuits are provisioned using Metallic Facility Terminal (MFT) and frame mounted resistive bridges, which are outdated technologies.

With the implementation of Central Office Wide Area Network (COWAN) in Alabama, connectivity between our central offices and operations systems, such as NMA, will be readily available. Comserve Solutions has developed a device that will interface an E2A formatted data signal with a TCP/IP communications device (router). The Comserve ACT128, when connected to the E2A remote devices in our offices with a master ACT128 at the NMA computer, will eliminate the need for multipoint circuits. The baud rate for the alarm device can also be increased to 9600 baud. It is expected that many of our USF offices will have COWAN additions in 2003. With USF resources, ACT128s could be added at the same time.

Compared to maintenance of the existing multipoint circuits, a "ping" message can be sent over the COWAN to the remote office TCP/IP address. If answered, the problem is at the remote office. If not, the problem is within the COWAN network. The trouble could then be dispatched to a technician in the remote office or referred to the broadband group for resolution.

Replacement of the existing E2A network with Comserv ACT128 devices in conjunction with the COWAN network would benefit BellSouth and rural customers through better alarm surveillance with reduced maintenance.

## CERTIFICATE OF SERVICE

This is to certify that I have served a copy of the foregoing on all parties of record by placing a copy of same in the United States Mail, First Class, Postage Prepaid, on this the **2nd** day of **May, 2003**.

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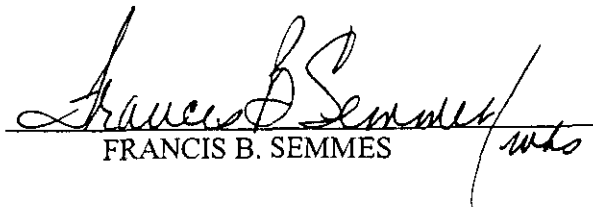
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FRANCIS B. SEMMES

# APPENDIX "C"

## PROPOSED 2004 USF - CENTURYTEL OF ALABAMA

### REPLACE OBSOLETE REMOTES

EXCHANGE	PROJECT DESCRIPTION	CAPITAL ESTIMATE
TALLASSEE	These projects provide for establishing a fiber fed NGDLC on LD5 in Tallassee for replacement of an obsolete SLC-96 DLC in the Friendship Community.	460,000
ANDALUSIA	This project replaces 914A located at Mt. Pisgah Church on County Road 49 with a NGDLC	345,000
GENEVA	This project provides for placement of a NGDLC to replace an obsolete S24DU located at County Road 41.	346,000
HEADLAND	This project replaces existing Gilley Mill 914A remote with a NGDLC.	230,000
WICKSBURG	This project replaces existing CR 9 S24DU remote With a NGDLC.	225,000
ABBEVILLE	This project will provide a fiber-fed NGDLC to Wills Crossroads and replace a 914-A remote.	312,000
TRUSSVILLE	These projects provide for replacing the S-24DU DLC at Mountain Ridge in Trussville with a new NGDLC.	173,500
GREENVILLE	These projects provide for a NGDLC at Honoraville in the Greenville Al exch. These projects will replace a 914-A and S24-DU.	267,404

### TOTAL COST REPL OBSOLETE REMOTES

2,358,904

### FIBER TO REMOTES

Fowl River	This project will place fiber to the Cedar Point remote. The existing copper cable to this remote serves over 20 hicaps. All hicaps and remote spans will be placed on the fiber.	95,000
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### TOTAL COST FIBER TO REMOTES

95,000

### REPLACE BURIED AIR CORE CABLE (BAC)

To Be Determined	Replacement of buried air core cable. Location to be determined based on OSP Troubles. Exchanges will be reported to PSC at a later date.	500,000
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### TOTAL COST REPLACE BAC

500,000



**HIGH COST APPLICANTS**

NUMEROUS	Provides assistance to customers that require excessive construction to provide primary service.	250,000
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<b>TOTAL HIGH COST APPLICANTS</b>	<b>250,000</b>
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**SERVICE IMPROVEMENTS**

TRUSSVILLE	This project provides for switch changeout and upgrade in the Trussville exchange.	3,693,541
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NUMEROUS	Provide emergency standby generator for 21 office locations throughout Alabama which will enhance network stability.	525,000
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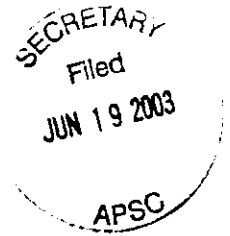
<b>TOTAL COST SERVICE IMPROVEMENTS</b>	<b>4,218,541</b>
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<b>TOTAL 2003 USF - ALABAMA</b>	<b>7,422,445</b>
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APPENDIX "D"



June 19, 2003



**VIA OVERNIGHT MAIL**

The Honorable Walter Thomas  
Alabama Public Service Commission  
RSA Union Building  
100 North Union Street  
Montgomery, AL 36104

**RE: APSC Certification of Eligibility to Receive High Cost Support  
Pursuant to 47 C.F.R. §54.314; APSC Docket 25980.**

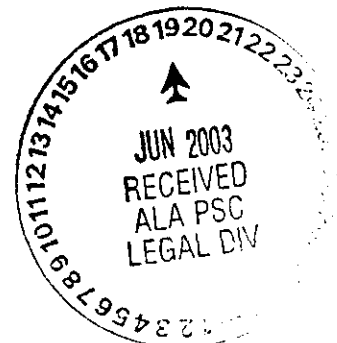
Dear Mr. Thomas:

Please find attached the certificate of ALLTEL Alabama, Inc. (the "Company"), in conjunction with the Commission's annual certification that the Company is eligible to continue to receive federal high cost support for high-cost universal service support. Also enclosed are ten copies of this filing. If any additional information is required, please contact Bettye Willis at 501.905.5692.

Very truly yours,

*Steve Mowery*  
Steve Mowery

Enclosure



## CERTIFICATION

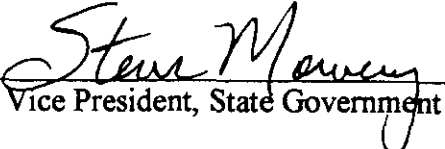
In its December 20, 2001 Order in APSC Docket 25980, this Commission determined that it could best meet its monitoring and certification obligations by requiring the "rural LEC Cost Companies" to file with the Commission a copy of their supporting annual interstate cost separation study, annual USF-HCLS filing and estimated USF-LSS filing for review and each of the "rural LEC Average Schedule Companies" to file with the Commission a copy of NECA's proposed annual USF-HCLS and USF-LSS amounts for review. Pursuant to the Order, the Company has previously provided the Commission with a copy of its most recent 2001 annual interstate cost separation study, annual 2003 USF-HCLS, and estimated 203 USF-LSS filings.

The Company further certifies that it will only use the federal high-cost support it receives during 2003-2004 for the continued provision, maintenance and upgrading of facilities and service for which such support is intended as described in 47 C.F.R. Section 54.101. Those services, which are available to any customer in the Company's service area are: single-party voice grade access to the public switched network, unlimited local usage, dual-tone multi-frequency signaling or its functional equivalent, access to emergency services, including 9-1-1 service or enhanced 9-1-1 service, access to operator service, access to interexchange service, and access to directory assistance, and toll limitation for qualifying low-income customers.

The Company respectfully requests that the Commission notify the FCC prior to October 1 of this year that the Company is eligible to receive federal high-cost support in 2004. Any questions regarding this submission or the underlying documentation previously submitted to the Commission should be directed to Bettye Willis at (501) 905-5692.

Respectfully Submitted,

**ALLTEL Alabama, Inc.**

By:   
Title: Vice President, State Government Affairs

Date: June 19, 2003